



Staff Report

RESOLUTION AUTHORIZING PURCHASE OF 3,553 GALLONS OF STAGE II TREATMENT CAPACITY IN THE SOUTH BAYSIDE SYSTEM AUTHORITY EXPANSION AT AN ESTIMATED COST OF \$28,104.23

Honorable Mayor and Council Members:

Summary

Approval of the attached resolution will authorize the City of Belmont to acquire 3,553 gallons of capacity rights, representing all of the remaining Stage II capacity rights for expansion of the plant capacity available to the City of Belmont, in the South Bayside System Authority (SBSA) Sewage Treatment Plant, at a cost of \$28,104.23.

Background

The South Bayside System Authority was established by the Joint Exercise of Powers Agreement on November 13, 1975. The Authority has four member agencies, including the Cities of Belmont, San Carlos and Redwood City and the West Bay Sanitary District. The current agreement allocates to Belmont a certain amount of capacity rights to support development, at a set per gallon of discharge rate that is currently set at \$7.91 per gallon. The City of Belmont collects connection fees from development projects to fund acquisition of Stage II capacity.

Discussion

The City of Belmont is allocated 440,000 gallon of Stage II treatment capacity in the SBSA sewage treatment plant. At this point in time, the City of Belmont has acquired 436,447 gallons of capacity. This leaves 3,553 gallons available for purchase by the City of Belmont. It is proposed to acquire the remaining Stage II capacity at this time, and at the current rate. The cost for the City of Belmont to purchase its remaining capacity today is \$28,104.23. The current cost per gallon for capacity is \$7.91 per gallon.

In the first half of 2001, the City of Belmont acquired the bulk of its Stage II capacity, an additional 302,243 gallons, at a cost of \$833,000. \$401,387 of the cost was funded by existing connection fees held in the City Sewer Expansion Fund. The remaining \$431,613 was funded by the 2001 Sewer Bond. The rate per gallon in 2001 to acquire Stage II capacity was \$2.65 per gallon.

Currently the City of Belmont discharges 1.64 million gallons per day total average dry weather flow to the SBSA Wastewater Treatment Plant, and the maximum capacity available to the City is 2.74 million gallons per day total average dry weather flow. Four hundred thousand gallons of this capacity is what is referred to as Stage II capacity, and is capacity that was to be acquired by the member agencies to fund improvements necessary to provide treatment of increased flows due to development.

The reasons for moving forward with the acquisition of Expansion Capacity that were cited in 2001 included: maintaining excess available capacity to allow for future planning for development, potential for increase in cost to acquire the capacity at a future date, and concern that ability to acquire any additional capacity might be restricted at a future date due to regulatory or other factors. The disadvantage cited were cost, and the expending of funds to acquire treatment capacity that may not be needed for a number of years.

When SBSA increased the connection fee cost per gallon this year, discussion occurred among the member agencies regarding provision under the Joint Powers Agreement to pre-purchase capacity and if the Joint Powers Authority clearly provided for such payment. The South Bayside System Authority General Manager intends to obtain authorization to proceed from the Commission to accept the payment. The attached resolution authorizes the payment, but should the payment be refused does not require it.

General Plan/Vision Statement

This approval is consistent with the General Plan Public Facilities and Services Goals section (Paragraph 2041), which states “To provide public services at a level adequate to ensure public safety, health and welfare at the lowest possible cost; to establish and maintain all essential public services and facilities in a manner that ensures continued operation in time of emergency.”

Fiscal Impact

Funds are available in the City Sewer Expansion Fund, 505, for the \$28,104.23 payment.

Public Contact

The Council agenda was posted.

Recommendation

Staff recommends adoption of the resolution authorizing purchase of 3,553 gallons of Stage II treatment capacity in the South Bayside System Authority expansion.

Alternatives

1. Take no action.
2. Refer back to staff for further information.

Attachments

A. Resolution

Respectfully submitted,

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City Engineer

Raymond E. Davis, III, PE, PTOE
Director of Public Works

Jack Crist
City Manager

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RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELMONT
AUTHORIZING PURCHASE OF 3,553 GALLONS OF STAGE II TREATMENT
CAPACITY IN THE SOUTH BAYSIDE SYSTEM AUTHORITY EXPANSION AT AN
ESTIMATED COST OF \$28,104.23**

WHEREAS, the South Bayside System Authority (SBSA) was established by the Joint Exercise of Powers Agreement dated November 13, 1975; and,

WHEREAS, the SBSA has four member agencies, including the Cities of Belmont, San Carlos and Redwood City and the West Bay Sanitary District; and,

WHEREAS, the Joint Exercise of Power Agreement and any subsequent amendments provides for the four jurisdictions to acquire what is referred to as Stage II capacity to provide for certain expansion of the Sewage Treatment Plant; and,

WHEREAS, the City of Belmont wishes to acquire all remaining capacity of 3,553 gallons available to the City of Belmont; and,

WHEREAS, The cost per gallon for acquisition of Stage II Capacity is \$7.91; and,

WHEREAS, the City has funds available from Sewer Connection Fees held in the City Sewer Expansion Fund to fund the purchase at a cost of \$28,104.23; and,

WHEREAS, acceptance of pre-payment for Stage II capacity will be submitted to the South Bayside System Authority Commission for authorization of the General Manager of the South Bayside System Authority to proceed with City purchase of all remaining capacity and,

WHEREAS, this resolution authorizes payment, but if said payment is not accepted does not require the payment be made; and

WHEREAS, staff recommends adoption of this resolution authorizing purchase of 3,553 gallons of Stage II treatment capacity in the South Bayside System Authority Expansion

NOW, THEREFORE, BE IT RESOLVED:

The City Council authorizes approval and issuance of payment in the amount of \$28,104.23 to purchase 3,553 gallons of additional treatment capacity in the Stage II expansion to increase Belmont's Stage II treatment capacity from 436,447 gallons per day to 440,000 gallons per day from the City Sewer Expansion Fund, 505-4328-8053.

* * * * *

I hereby certify that the foregoing Resolution was duly and regularly passed and adopted by the City Council of the City of Belmont at a regular meeting thereof held on September 9, 2008 by the following vote:

AYES, COUNCILMEMBERS: _____

NOES, COUNCILMEMBERS: _____

ABSTAIN, COUNCILMEMBERS: _____

ABSENT, COUNCILMEMBERS: _____

CLERK of the City of Belmont

APPROVED:

MAYOR of the City of Belmont